

FISCAL NOTE

HB 2373 - SB 2608

January 26, 2004

SUMMARY OF BILL: Establishes a \$10 Lifetime Fishing License for anyone receiving Social Security benefits for 100% permanent disability. Requires the Tennessee Wildlife Resources Agency to accept certification from the Social Security Administration as evidence of 100% permanent disability. Currently, a fishing license must be purchased each year at a cost of \$21.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - \$6,280 One-Time/Wildlife Resources Fund/FY 04-05

Decrease State Revenues:

\$62,830 One-Time/Wildlife Resources Fund/FY 04-05

\$125,660 Recurring/Wildlife Resources Fund/Beginning in FY 05-06

Increase State Expenditures:

\$6,280 One-Time/Wildlife Resources Fund/FY 04-05

\$12,560 Recurring/Wildlife Resources Fund/Beginning in FY 05-06

Other Fiscal Impact:

Increase Federal Expenditures - \$3,768 One-Time/FY 04-05

Decrease Federal Expenditures - \$41,448 Recurring/Beginning in FY 05-06

Estimate assumes:

- Tennessee Wildlife Resources Agency will experience a decrease in revenue from persons receiving 100% Social Security disability benefits who otherwise would have purchased a regular annual fishing license at a cost of \$21 (\$20 to the state and \$1 to the selling agent).
- According to the Social Security Administration, approximately 154,000 persons are on permanent Social Security disability in Tennessee. According to the Tennessee Wildlife Resources Agency (TWRA), approximately 8.16 percent of the population of Tennessee currently have a fishing license. TWRA does not have information on the number of disabled individuals with fishing licenses. Assuming, due to the nature and extent of their disability, that only 50 percent of the otherwise eligible and interested disabled persons currently purchase the annual fishing license, approximately 6,283 permanently disabled individuals currently have a fishing license. ($8.16\% \times 154,000 \times 50\% = 6,283$.) There will be a reduction in revenue of \$10 per person in the first year for those individuals who

otherwise would have purchased an annual fishing license who purchase the lifetime license under this bill. The loss of revenue from these individuals is \$62,830 in the first year and \$125,660 in subsequent years. This calculation further assumes no change in the numbers or makeup of the disabled population. The impact of any such changes cannot reasonably be determined. This calculation further assumes no change in the price of an annual fishing license in future years. The amount or timing of any such change cannot reasonably be determined.

- 10% of the individuals that are eligible under the new program, but do not currently buy a license, will buy one due to the decreased cost and increased duration of this license. This increase will result in an additional 628 individuals who buy the lifetime license and an increase in state revenues of \$6,280 ($628 \times \$10 = \$6,280$).
- Assuming that the \$20 license fee pays only the costs of operation of wildlife programs and does not generate excess revenue for TWRA, there will be recurring additional costs of \$6,280 during the first year ($628 \times \$10 = \$6,280$) and \$12,560 after the first year ($628 \times \$20$) due to the increased costs of operation to the TWRA associated with the 10% increase in license sales.
- Due to the 10% increase in sales, there will be an increase in the \$6.00 federal match for licenses sold in the first year of the program. This will result in an increase in federal expenditures of \$3,768 ($\$6 \times 628 = \$3,768$).
- Because this is a lifetime license, the state will see a decline in federal matching funds after the first year of the program equal to the number of disabled individuals estimated to be currently purchasing hunting and fishing licenses. This results in a decrease in federal expenditures of \$41,448 ($\$6 \times 6,908 = \$41,448$).

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly distinguishable.

James W. White, Executive Director